

## ***With DoubleClick Deal Done, MaxWorldwide Eyes List Firm***

**By Ken Magill**

MaxWorldwide Inc., formerly L90 Inc., is in the market for a list company.

On the heels of its acquisition of DoubleClick Inc.'s North American media business, MaxWorldwide's president/CEO Mitchell Cannold said last week that he is negotiating with a "variety of the players in the top 10" list firms. MaxWorldwide will likely announce plans to acquire at least one of them by the end of the summer, he said.

"Size matters ... and it's all about survival of the fittest," Cannold said. "Our transaction with DoubleClick was all about getting fit on the online side of the business. We will next attack a transaction or two of a competitive company on the direct side."

The acquisition would come under the management of Joanne Capria, president of MaxDirect, formerly Novus List Marketing LLC, which MaxWorldwide purchased in May 2001.

An acquisition bolstering MaxWorldwide's direct business also would be another step toward putting some major recent troubles to rest. In March, a deal for L90 to be acquired by interactive entertainment network eUniverse was killed because of a Securities and Exchange Commission inquiry into how L90 booked advertising barter transactions with, among other firms, troubled real estate portal Homestore.com.

Cannold was appointed president/CEO in March along with a new management team to try to turn L90 around.

The SEC investigation is "substantially finished," Cannold said. "There is still some work for them to conclude but not with the company [MaxWorldwide]." MaxWorldwide also is no longer under threat of delisting by Nasdaq, having filed some necessary paperwork.

Under the DoubleClick deal, which closed last week, MaxWorldwide acquired DoubleClick's North American media business for \$5 million in cash and 4.8 million shares of stock. DoubleClick, New York, stands to receive an additional \$6 million based on

future performance. Upon the close of the transaction, L90 changed its name to MaxWorldwide and relocated its corporate headquarters from Los Angeles to New York.

DoubleClick chairman Kevin O'Connor has joined MaxWorldwide's board of directors. Also, four DoubleClick senior managers and 40 DoubleClick employees now work for MaxWorldwide, which moves them out of DoubleClick's technology-oriented corporate culture and presumably into a sales culture.

"I feel the DoubleClick people will thrive in this environment," Cannold said.



**Mitchell Cannold**

The sale also takes DoubleClick operationally out of the media business, allowing it to focus on advertising technology and data solutions as opposed to ad sales. DoubleClick has said for

months it was shifting its focus away from online media. The only question was who was going to buy that part of its business.

In October, DoubleClick bought L90's technology assets, adMonitor ad-serving and tracking platform and its ProfiTools marketing platform.

Meanwhile, in keeping with its focus shift toward the data business, DoubleClick said last month that it will acquire Claritas Europe's 50 percent interest in the Abacus Direct Europe business, making DoubleClick the sole owner. Terms of the deal were not disclosed.

The Abacus UK Alliance cooperative database has 250 participants and data on 26 million households. Claritas will continue to provide data products to Abacus' European operations over the next five years.

Also last week, DoubleClick announced second-quarter revenue of \$75.7 million, down from \$83.7 million in the first quarter. Operating expenses were \$48.1 million, its lowest figure since 1999. ■